



Request for City Council Committee Action From the Department of Public Works

Date: February 18, 2003
To: Honorable Sandra Colvin Roy, Chair Transportation and Public Works Committee
Referral to: Honorable Barb Johnson, Chair Ways and Means Committee

Subject: Equipment Division appropriation increase for Fire Vehicles

Recommendation:

1. **Increase the 2003 appropriation for Public Works – Equipment Division in Fund 6100 Agency 675 Organization 6765 by \$ 3,430,000.00 for the purpose of purchasing additional fire apparatus.**
2. **That the Board of Estimate and Taxation be requested to incur indebtedness and issue and sell bonds, in the amount of \$3,430,000.00, the proceeds of which are to be used for purchasing additional fire apparatus.**
3. **Pass a resolution pursuant to IRS Treasury Regulations Section 1.150-2, that the City of Minneapolis declares it's official intent to reimburse the expenditures related to the purchase of the fire apparatus from the proceeds of tax exempt debt of the City.**

Prepared by: Steven Kotke, Director of Property & Equipment Services, 673-2402

Approved by: Brian Lokkesmoe, P. E., Interim City Engineer, Director of Public Works

Steve Kotke, Director of Property & Equipment Services

Presenters: Steven Kotke, Fire Chief Rocco Forte

Financial Impact (Check those that apply)

___ No financial impact - or - Action is within current department budget.
(If checked, go directly to Background/Supporting Information)

___ Action requires an appropriation increase to the Capital Budget

☒ Action requires an appropriation increase to the Operating Budget

___ Action provides increased revenue for appropriation increase

___ Action requires use of contingency or reserves

___ Other financial impact (Explain):

☒ Request provided to the Budget Office when provided to the Committee Coordinator

Background/Supporting Information:

The Equipment Services Division is allocated appropriations each year to purchase vehicles and equipment for various user departments such as Public Works, Police and Fire. The 6.2 million-dollar capital appropriation is divided amongst the user departments based on the replacement value of their particular fleet. The user departments reimburse the Equipment Division for these expenses through monthly vehicle payments.

The Fire Department has submitted a request (See Attachment) to accelerate the replacement of their fleet. The basis of the request is to modernize an aging fleet and to acquire quint units that will allow for operational efficiencies. The Equipment Division supports the Fire Department's plan, which includes the acquisition of three quints, one aerial platform and six pumpers. We believe the early acquisition will achieve the following:

- Flexibility and efficiency – A quint unit has the capability to function as a pumper or a ladder unit. The three new quints will replace three existing quint type units (Sqrts) or three ladder units.
- Accelerated replacements of old units – This purchase would replace the three oldest ladder units, vintage 1978, the six oldest pumper units, vintage 1981 –1984 and an aerial platform, vintage 1982. All these units are well beyond their 15-year economic replacement life cycles.
- Lower maintenance costs - the newer units will require less repairs and there by lower maintenance costs.
- Meet the latest NFPA standards - the standards are revised about once every five years. Thus, some units meet only standards set four or five cycles ago. The new units will meet the latest 2003 standards.

The typical annual allocation for fire apparatus is approximately \$1.2 million. This request would require the Equipment Division to spend approximately \$4.6 million dollars for fire apparatus in 2003 and 2004 and reduce spending for fire apparatus in 2005, 2006 and 2007. The total dollar amount in the planned five-year allocation for fire apparatus would not change and this request will not materially affect the Equipment Division's Workout Plan. This change will be reflected with the annual update of the plan. Due to the purchase orders for the fire equipment being placed this year, we will need the full \$4.6 million dollar appropriation for 2003.

Therefore, we are requesting:

- An increase in the 2003 appropriation for Public Works – Equipment Division in Fund 6100 Agency 675 Organization 6765 by \$ 3,430,000.00 for the purpose of purchasing additional fire apparatus.
- That the Board of Estimate and Taxation be requested to incur indebtedness and issue and sell bonds, in the amount of \$3,430,000.00, the proceeds of which are to be used for purchasing additional fire apparatus.

Attachment 1 - Fire Department request to accelerate the replacement of their fleet

CC: Fire Chief Rocco Forte, Fire Department